



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

Office of the Assistant Secretary

08 OCT 1997

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/AQC
1060 Air Force Pentagon
Washington DC 20330-1060

SUBJECT: Disposition of Excess and Underutilized Government Property in the Possession of Defense Contractors (USD(A&T) Memo, 25 Sep 97)


At the end of FY 96 the amount of Government property in the possession of DoD contractors totaled \$89 billion, nearly double the amount reported at the end of FY 86. The Air Force's experience mirrors DoD's. This growth and associated increases in cost to the Government and contractors to control, manage, report, and store the property is a matter of concern at the highest levels in the DoD, evidenced by the memorandum at Atch 1.

In response to direction from OSD to eliminate excess property and reduce the amount of underutilized property in contractor possession by 1 Jan 2000, the Military Departments and the Defense Contract Management Command (DCMC) are initiating a review of all contracts under which \$3 million or more of equipment, tooling, and material is accountable. This review will involve approximately 400 AF contracts, of which 54 are administered by the AF and the balance by DCMC and the Office of Naval Research. A list of the AF contracts is at Atch 2 for your information. The cognizant contract administration offices will advise the contractors of the disposition review.

As soon as excess or underutilized Government property is identified by contractors, we request contracting officers, program offices, and property managers to take all necessary actions to effect prompt decisions on the disposition of the property. Our objective is that contracting officers and property managers will forward disposition or shipping instructions to the cognizant contract administration office within 60 days of receipt of inventory schedules or similar reports of excess.

We realize that this is an ambitious undertaking. To make it work, we must have the support and cooperation of contractors and all Government individuals and organizations that have a role in furnishing, monitoring, or disposing of Government property in the possession of contractors. Please distribute this memorandum to program offices and others, as appropriate. If there are questions,

contact Mr. Eric Kattner, SAF/AQCP, DSN 224-3656 or (703) 614-3656,
ekattner@af.pentagon.mil.


WALKER LEE EVEY
Associate Deputy Assistant
Secretary (Contracting)
Assistant Secretary (Acquisition)

Attachments:

1. USD(A&T) Memo, 25 Sep 97, w/Atch
2. List of AF Contracts

cc:

SAF/AQ
AF/ILS

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